

Message Text

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PAGE 01 STATE 158440
ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 /026 R

DRAFTED BY ARA/ECA:STMYLES:AF

APPROVED BY S/S :DANDERSON

ARA:FMCNEIL

ARA/ECA:RWZIMMERMANN

NSC:RPASTOR (INFO)

EB/OT/STA:CBLUM (INFO)

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R 212301Z JUN 78

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA

C O N F I D E N T I A L STATE 158440

EXDIS

E.O. 11652: GDS

TAGS: PGOV, PPDC, EMIN, ETRD, BR, US

SUBJECT: PRESIDENTIAL CORRESPONDENCE ON INTERNATIONAL STEEL
TRADE

REF: STATE 140966

1. THE EMBASSY IS REQUESTED TO DELIVER THE FOLLOWING LETTER
FROM THE PRESIDENT TO BRAZILIAN PRESIDENT GEISEL.

BEGIN TEXT:

DEAR MR. PRESIDENT:

THANK YOU FOR YOUR LETTER A00UT THE WORLD STEEL SITUATION.

THIS IS JUST THE SORT OF ISSUE I HAD IN MIND WHEN I ASKED

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YOU TO RAISE WITH ME PERSONALLY ANY MATTER THAT MIGHT AFFECT
THE GOOD RELATIONS BETWEEN OUR TWO COUNTRIES.

I CAN ASSURE YOU THAT THE UNITED STATES DOES NOT INTEND TO
PROPOSE IN THE ORGANIZATION FOR ECONOMIC COOPERATION AND
DEVELOPMENT (OECD) OR ELSEWHERE ANY MEASURE THAT RESTRICTS
FREEDOM OF TRADE OR TENDS TO FREEZE WORLD STEEL SUPPLY. ON

THE CONTRARY WE HAVE BEEN WORKING TO KEEP TRADE, INVESTMENT
AND THE FLOW OF TECHNOLOGY IN THE STEEL SECTOR AS FREE AND
RESPONSIVE TO MARKET FORCES AS POSSIBLE, IN ORDER TO

FACILITATE THE STRUCTURAL ADAPTATION, WHERE NECESSARY, OF
NATIONAL STEEL INDUSTRIES. OUR OPPOSITION TO CARTELIZATION
AND ALL FORMS OF MARKET-SHARING--INCLUDING ALLOCATIONS OF
CAPACITY--IS WELL ESTABLISHED.

ONE OF THE FUNDAMENTAL PROBLEMS WE ARE SEEKING TO ADDRESS
IN THE EXPLORATORY TALKS IS THE CURRENT EXCESS CAPACITY IN
THE INDUSTRY, AND THE PROSPECTS FOR FUTURE SUPPLY AND
DEMAND. WE WILL RESIST STRONGLY ANY EFFORT TO CORRECT THIS
OVER-CAPACITY BY LIMITING TRADE, INVESTMENT, OR THE FLOW
OF TECHNOLOGY. WE WILL PRESS INSTEAD FOR BETTER INFORMA-
TION ON STEEL INDUSTRY CONDITIONS, AS A WAY OF AVERTING
A REPETITION OF THE INVESTMENT MISCALCULATIONS OF THE PAST.
WE BELIEVE THAT MARKET FORCES ARE THE BEST GUIDE FOR THE
INDUSTRY, AND OUR AIM IS TO ENABLE THOSE FORCES TO WORK.

I HAVE ASKED THE STATE DEPARTMENT TO GIVE YOUR EMBASSY
HERE A MORE DETAILED DESCRIPTION OF THE DISCUSSIONS HELD
IN THE OECD AD HOC GROUP. I WILL WELCOME ANY FUTURE
THOUGHTS YOU MAY HAVE ON THESE IMPORTANT MATTERS.

SINCERELY, JIMMY CARTER. END TEXT.
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2. ORIGINAL SIGNED DOCUMENT IS BEING POUCHED TO THE
AMBASSADOR. VANCE

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NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STEEL, TRADE CONTROLS, DIPLOMATIC COMMUNICATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 jun 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE158440
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Drafter: STMYLES:AF
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Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780259-1143
Format: TEL
From: STATE
Handling Restrictions:
Image Path:
ISecure: 1
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Litigation Codes:
Litigation History:
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Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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